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Inside an Arms Trafficking Trial

The American public is beginning to learn more than it may have wanted to know about the murky world of international arms deals. Nothing illustrates the Byzantine intrigue of big-time arms trafficking better than a case in U.S. District Court in New York.

The defendants, HLB Security Electronics Ltd., Solomon Schwartz and three other individuals, are accused of illegally attempting to sell arms to Poland, Iraq and Argentina. The case is being conducted under the Classified Information Procedures Act of 1980, which keeps sensitive material under wraps during trial. But our associate Donald Goldberg has had access to many of the details of the complex case.

The government charged in a recent indictment that Schwartz and the others tried to sell 500 Ruger automatic rifles and 100,000 rounds of ammunition to Poland, and other forbidden weapons to Iraq and Argentina. The defendants claim their deals were part of a plan to obtain two Soviet T72 tanks and some SAM7 anti-aircraft missiles and launchers for the Pentagon.

According to the plan, the New York-based HLB was to sell the guns and ammo to Poland and Iraq, which is a military customer of Poland and the Soviet Union. The idea was to disguise the U.S. government's involvement.

But a government informer, who also happens to be a competitor of HLB, found out about the scheme while he was secretly helping a Customs Service investigation of technology transfers to the Soviet bloc. This led to the defendants' indictment.

Sources say that Assistant U.S. Attorney David

Kirby contacted the Federal Bureau of Investigation and the Defense Intelligence Agency after Schwartz first told prosecutors that he had been working on the two agencies' behalf. FBI and DIA officials denied having authorized the illegal arms transaction, the sources said. In testimony, officials of the agencies admitted meeting with Schwartz, but denied encouraging or approving any illegal acts.

In September, the defendants asked permission to present classified information at their impending trial. That's when U.S. District Court Judge Thomas Platt made his remark about the defense attorneys' reading tastes.

Schwartz then submitted a lengthy affidavit giving explicit information to support his defense. The sworn statement identifies agents of the Central Intelligence Agency, DIA and FBI with whom Schwartz had discussed the plan to obtain the Soviet weapons. It also gives the dates and locations of the discussions, including at least five with the FBI's counterintelligence division and several at DIA headquarters.

Schwartz maintains that he kept federal officials fully informed of his dealings, and told them he might have to sell U.S. arms behind the Iron Curtain to pull off the coup.

The confidential informer was Ben Jamil, owner of CCS Communications Control Inc., a competitor of HLB. Jamil was indicted in 1981 on charges of illegally selling espionage equipment to Syria, Guinea, Switzerland and Greece. The charges were dropped when Jamil agreed to become an informer for federal prosecutors.